

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7100**

**BILL NUMBER:** HB 1485

**NOTE PREPARED:** Jan 11, 2011

**BILL AMENDED:**

**SUBJECT:** Worker's Compensation.

**FIRST AUTHOR:** Rep. Lehman

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☒ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill sets limitations on the pecuniary liability for a medical services facility for purposes of the worker's compensation law. It prohibits a medical service facility from collecting payment for medical care. The bill requires the Worker's Compensation Board to annually approve the most recent Medicare fee schedule, not later than December 31 each year, to determine the pecuniary liability of a medical services facility. It also allows a medical services facility to request an explanation from a billing review service if the medical services facility's bill has been reduced as a result of the application of a Medicare coding change.

The bill requires an employer required to carry worker's compensation insurance to pay an annual \$2 filing fee.

The bill makes a technical correction. It also removes an outdated reference.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** The bill would impact the state as a whole as an employer. It would also impact the state Worker's Compensation Board as the administrator of worker's compensation law.

The impact on the state as an employer could reduce cost by limiting the employer pecuniary liability for medical services facilities to 150% of the amount determined using the Medicare program's reimbursement. For FY 2010 the state spend \$8.9 M on worker's compensation medical claims.

The Worker's Compensation Board could incur some addition additional cost in approving the medical fee

schedule for the pecuniary liability of a medical services facility. The impact on the Board of the changes in the bill should be minor.

**Explanation of State Revenues:** The bill creates a \$2 filing fee for an employer required to carry worker's compensation insurance . There are about 123,400 employers in the state. The filing fee would generate about \$247,000 annually.

**Explanation of Local Expenditures:** The impact on locals as employers could reduce cost by limiting the employer pecuniary liability for medical services facilities to 150% of the amount determined using the Medicare program's reimbursement.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** All.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.